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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY.

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Honorable Bob Kruger United States Senator 1919 Smith, Suite 800 Houston, Texas 77002

Dear Senator Kruger:

This letter is in response to your inquiry on behalf of your constituent Mr. Ignacio Trujillo. Mr. Trujillo seeks a new Area of Dominant Influence (ADI) for Station KVAW for purposes of the new "must-carry" rules.

In accordance with the provisions of the 1992 Cable Act, the Commission recently adopted the Arbitron-designated ADI as each television station's local market for must-carry purposes. KVAW is assigned to the San Antonio ADI. This ADI television market includes Maverick, Valverde, Dimmit, Kinny, Zavala and Uvalde Counties mentioned by Mr. Trujillo, as well as Atascosa, Bandera, Bexar, Comal, De Witt, Edwards, Frio, Goliad, Gonzales, Guadalupe, Karnes, Kendall, Kerr, La Salle, Lavaca, McMullen, Medina, Real and Wilson Counties.

Thus, KVAW is entitled to must-carry status on all cable systems in these counties except where the station does not deliver a good quality signal to the cable system's principal headend or the cable operator would incur copyright liability for carriage of the station. In such cases, the station may bear the cost of delivery of a good quality signal or indemnify the cable operator for its copyright liability to attain must-carry status.

The Act further provides that the Commission may modify a television station's local market by adding cable communities to or subtracting cable communities from its ADI. The rules adopted by the Commission to implement this provision are included in the enclosed Report and Order. Specifically, the procedures and required supporting information for a Commission determination regarding the modification of a station's market are explained in paragraphs 42 through 47 of the enclosed Report and Order.

Sincerely,

Roy J. Stewart

Chief, Mass Media Bureau

Enclosure

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BOB KRUEGER TEXAS COMMITTEES:
ENERGY AND NATURAL RESOURCES
COMMERCE, SCIENCE, AND TRANSPORTATION

United States Senate

WASHINGTON, DC 20510-4303

April 9, 1993

1662

Mr. Alfred Sikes Chairman Federal Communications Commission 1919 M Street Washington, D.C. 20554

Dear Chairman Sikes:

I recently received the enclosed constituent inquiry, and I would very much appreciate your providing me with any pertinent information you might have regarding the matter.

Your kind assistance is greatly appreciated.

Yours sincerely,

Enclosure

Bob Krueger

PLEASE REPLY TO:

1919 Smith, Suite 800 Houston, Texas 77002 ATTN: Jenni C. Hammond

April 5, 1993

U.S Senator. Bob Kruger 1918 Smith St. Houston, Texas 77002

Dear Bob,

Our station is looking for the creation of new ADI-according with the new cable Bill.



"Operation and broadcast station can petition to FCC to reconfigure their ADI listing area for purposes of must-carry."

We think-our new AID can be Maverick county. Valverde County, Dimmit County, Kinny County Zavala County and Uvalde County.

We need you help to accomplish this endeavor.

Yours,

Ignacio Trujilío. Public Ralations

> KVAW*16 Vikin Tymedia, and.

MEMORANDUM

TO: Distribution

FR: David B. Meister

DT: March 24, 1993

RE: 1992 Cable Act - Must Carry/Retransmission Consent

The FCC is moving quickly in the development of the regulations which will enable implementation of the 1992 Cable Act. The full regulations are expected to be published in the Federal Register in early April 1993. Although the Act is being challenged in the courts by various cable companies, it does appear that the Act will be upheld.

The following is a timeline of important dates assuming the regulations are published on April 1. 1993 (although

- August 1 FCC recommended date for conclusion of retransmission consent negotiations.
- Sept. 6 Cable systems must notify subscribers of any upcoming deletion or repositioning of broadcast signals as a result of the failure to reach retransmission consent agreement.
- Oct. 6 Retransmission consent and channel positioning rules become effective.

In order to effectively maximize carriage on the various cable systems located throughout their respective ADI'S, each Telemundo station should do a system by system analysis of where they stand with regard to the must-carry and retransmission rules.

The key points to be taken into account in this analysis are the following:

- 1. Is the station full-power or low-power?

 Under the Act, low-power stations have very limited rights; low-power must-carry rights are limited to markets located outside the largest 160 Metropolitan Statistical Areas.
- 2. How many broadcast stations serve the ADI in total? Of this total, how many are "qualified" for must-carry?
- 3. With respect to each cable system:
 - How many "activated channels" does it have? (i.e. channels engineered at the headend of a cable system which are generally available to residential subscribers).
 - Are there more qualified broadcast stations in the market than there are available broadcast channels on cable system? A cable system with more than 12 usable activated channels must carry local commercial television stations on up to one-third of the total number of usable activated channels it has. For example, a system that has 36 activated channels must devote up to 12 of those channels to must-carry stations. The carriage of other broadcast stations is at the discretion of the cable operator, subject to retransmission consent.

1992 Cable Act Memo P. 3

It should be noted that non-commercial educational stations also have some rights of must-carry under the Act.

- Does your station provide a quality signal over the cable system's headend? Under the Act, the cable system is not required to carry stations that do not provide a quality signal.
- Is the station's community involvement, such as its local news, of particular value to subscribers of the cable system? What is the Hispanic penetration rate of the cable system? This may prove to be helpful in situations where the cable system has certain discretionary rights.
- Is the station considered a "distant" signal on the cable system? Compulsory copyright fees arise when cable systems carry "distant" signals. See further discussion below.
- If the station has been previously carried by the cable system, on what channels was it carried on July 19, 1985 and on January 1, 1992. The Act affords must-carry stations certain channel positioning rights. A must-carry station can insist on carriage on its "over-the-air" channel or its cable channel as of either of the dates above, or some other mutually agreeable channel.
- In the rare instance where a station elects

1992 Cable Act Memo P. 4

(As Telemundo programming is considered "specialty programming" for copyright purposes, these compulsory fees are reduced.) This should not pose a major problem, as every full power station is copyright free to cable systems within 35 miles of its community of license. This area is often expanded based on various considerations.

2. Deletion/Repositioning During Sweeps Prohibited A cable operator is prohibited from deleting or repositioning any station during a

